(b) and (c) A proposal for financial restructuring and strengthening of BHPV was sent to Cabinet Secretariat for obtaining approval of the Competent Authority. The Cabinet in its meeting held on 26.11.2007 considered the proposal of this Department and approved the 'in principle' takeover of BHPV by Bharat Heavy Electricals Limited (BHEL) with the direction that the valuation of BHPV be carried out prudently on the basis of established principles and if the takeover is not found feasible, the matter be brough back before the Cabinet.

The Valuation has been carried out and matter is under consideration for approval of the proposal for financial restructuring.

(d) Does not arise.

Demand and supply of power equipment

3045. DR. M.A.M. RAMASWAMY: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that Bharat Heavy Electrical Limited (BHEL) has not been able to meet the demands of public sector power companies for their massive electrifications programmes;

(b) if so, the total demand and supply of various equipments of power companies during the last three years;

(c) the reasons for not meeting the demands of power companies; and

(d) the steps taken to correct this situation?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) No, Sir, BHEL has been meeting the demands of public sector power companies for supply of power generating equipments. However, in some cases there are delays in execution of power projects due to dependency of inputs from multiple agencies involved.

(b) The total demand and supply and various equipment of public sector power companies (Central & State Government projects) on BHEL, during last 3 years (from 1.4.2005 to 31.3.2008) is as follows:—

Demand:	13,089 MW
Supplied/Commissioned:	11,094 MW

(c) The main reasons for not meeting the demand in terms of schedule of implementation of power projects are as follows:—

— Delay in customer inputs and customer approval;

— Change in specifications during execution;

— Infrastructure inadequacies;

— Force-majeure situations;

— Shortage of special imported types of raw materials & items, which are not manufactured indigenously and for which world-wise shortages and being currently experienced due to heavy capacity booking by Chinese companies;

— Limited number/capability of domestic suppliers for balance of plant (BOP) equipments like coal and ash handling systems, water treatment plants, cooling water systems, air conditioning & ventilation systems, fire protection systems, cooling towers, construction equipment, civil works & services etc.

(d) To meet the growing demand of power equipment and emerging power capacity addition requirements in the country, BHEL has taken various steps which include:—

— enhancement of its power generation equipment manufacturing capacity from 6,000 MW to 10,000 MW per annum by December 2007 and further augmenting it to 15,000 MW per annum by end of December 2009;

— actively pursuing with Ministry of Power for encouraging vendors of Balance of Plants and Civil Contractors to enhance their capacities;

upgradation/introduction of new technologies and having necessary technology tie-ups for super-critical thermal power sets and Advanced-Class Gas Turbine sets envisaged for the country.

Capacity Expansion of BHEL

3046. SHRIMATI SHOBHANA BHARTIA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government has a proposal to expand the capacity of the Bharat Heavy Electrical Limited (BHEL);

(b) if so, the details thereof;

(c) whether the company achieved their target of manufacturing power equipments during the Tenth Plan period;

(d) if so, the details thereof; and

(e) the present order and supply position of various power manufacturing equipments with the company?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) and (b) Yes, Sir. Bharat Heavy Electricals Limited (BHEL) has enhanced its power equipment manufacturing capacity from 6,000 MW to 10,000 MW per annum by December, 2007 and is further augmenting it to 15,000 MW per annum by end December 2009 to meet the emerging requirement of the country.

(c) and (d) Power capacity addition of 41,110 MW was planned in the country during 10th Plan period. Out of these, orders for 18,696 MW were placed on BHEL. Approximately 40% of these orders *viz.* 7,032 MW were placed very late during the latter part of the 10th Plan creating a situation of bunching of orders. In spite of late receipt of orders, the company had put in its best efforts and achieved commissioning of 14,912 MW, which includes share of Tehri and Dabhol power projects. Overall, BHEL successfully achieved 80% of it's commissioning target during the 10th Plan period.

(e) As on 1.4.2008, BHEL has received orders aggregating to 38,906 MW including part supplies and commissioning of Ratnagiri Block III, of domestic utility power sets for commissioning during the 11th Plan period. Out of these orders, BHEL has already